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August 1983



Wisconsin Employment and Economic Indicators



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WISCONSIN DATA AND SOURCES

INDICATOR	SOURCE
L1 Average Work Week, Manufacturing	Wis. Dept. of Industry, Labor and Human Relations
L2 Average Overtime Hours, Mfg.	Wis. Dept. of Industry, Labor and Human Relations
L3 Average Weekly Initial Claims	Wis. Dept. of Industry, Labor and Human Relations
L4 Business Failures (Dollars)	Dun & Bradstreet, Inc.
L5 Business Failures (Number)	Dun & Bradstreet, Inc.
L6 New Business Incorporations	Wisconsin Secretary of State
L7 Net Gain in Business Phone Access Lines	Wis. Telephone Co. and General Telephone Co.
L8 Building Plans Examined	Wis. Dept. of Industry, Labor and Human Relations
C1 Help-Wanted Advertising Index (Milw.)	National Industrial Conference Board
C2 Total Unemployment Rate	Wis. Dept. of Industry, Labor and Human Relations
C3 Natural Gas Sales	Wisconsin Public Service Commission
C4 New Car Registrations	Wis. Department of Transportation
C5 Electric Power Sales	Wisconsin Public Service Commission
C6 Total Securities Registrations	Wisconsin Commissioner of Securities
C7 Personal Income	"Business Week," McGraw Hill
C8 Average Weekly Earnings, Mfg.	Wis. Dept. of Industry, Labor and Human Relations
C9 Cash Receipts From Farm Marketing	U.S. Department of Agriculture
C10 Contract Construction Employment	Wis. Dept. of Industry, Labor and Human Relations
X1 Birth Registrations	Wis. Department of Health and Social Services
X2 Death Registrations	Wis. Department of Health and Social Services
X3 Natural Net Gain in Population	Wis. Department of Health and Social Services
X4 Marriage Registrations	Wis. Department of Health and Social Services
X5 Consumer Price Index (Milwaukee)	U.S. Bureau of Labor Statistics
X6 Index of Prices Received By Farmers	Wisconsin Department of Agriculture
X7 Net Gain in Residential Phone Access Lines	Wis. Telephone Co. and General Telephone Co.
X8 Total Job Openings Received	Wis. Dept. of Industry, Labor and Human Relations
X9 Manufacturing Employment	Wis. Dept. of Industry, Labor and Human Relations

NOTES: Selected series are seasonally adjusted by the Bureau of the Census X-11 Variant of the Census Method II Seasonal Adjustment Program. The adjusted data are plotted on arithmetic scales.

SECTION A is a summary of recent data and current changes for all indicators and is presented in chart form. The indicators are presented with cyclical timing as the principle basis of classification.

SECTION B is a summary of Wisconsin Labor Force Estimates, including Employment, Unemployment and Unemployment Rates, and selected U.S. data.

SECTION C analyzes the Wisconsin labor force by industry and by specified Standard Metropolitan Statistical Areas.

SECTION D singles out certain economic time series as being leading or coinciding in relation to movements in aggregate economic activity. They are seasonally adjusted and presented graphically. The indicators are grouped by cyclical timing.

THE WISCONSIN ECONOMY

SUMMARY FOR JULY

THE AVERAGE WORK WEEK IN MANUFACTURING DECREASED, BUT PROBABLY DUE TO INCREASED EMPLOYMENT IN JULY. THE AVERAGE WEEKLY INITIAL CLAIMS FOR UNEMPLOYMENT DECLINED FOR THE SEVENTH CONSECUTIVE MONTH. AND THE UNEMPLOYMENT RATE CONTINUED ITS DOWNWARD TREND.

LEADING INDICATORS

The Average Work Week in Manufacturing decreased slightly during July. The average amounted to 40.4 hours, down from 40.8 hours per week one month earlier. Even on a seasonally adjusted basis the trend is down by 0.1 hours. Some of the decrease is due to less overtime, which normally increase in July. This month's shorter work week is a positive signal when coupled with the significant increase in manufacturing employment. Employers have decided to hire and recall workers rather than extend the work week of a smaller work force. Manufacturing employment grew by 9,800 workers.

The Average Weekly Initial Claims for unemployment compensation decreased to 11,199 during July. One month earlier the claims averaged 15,491. Initial claims have been declining steadily since the recessionary high of 25,951 posted in December of 1982.

New Business Incorporations numbered 470 in July, well below the 686 of one month earlier. Even on a seasonally adjusted basis, the trend is down in July. Incorporations, however, were especially large in May and June.

The Net Gain in Business Phone Access Lines was very strong in July, nearly triple the previous figure. The number of Building Plans Examined for industrial and commercial building also increased in July, at a stronger than normal pace.

OTHER INDICATORS

New car registrations dropped off by over 40 percent in July to 13,621. The decline is not surprising, following an extraordinarily large registration number in the previous month. This July's registrations outnumber the year-ago level by nearly 3500.

The Consumer Price Index for Milwaukee, the only area for which it is reported in Wisconsin, rose to 310.1 in July. The previous level was 308.8 in May, thus, the 0.4 percent increase is over a two month period. At that rate, this All Urban Consumer series would increase at 2.4 percent per year - the annualized rate.

The number of Job Openings Received by state Job Service offices from employers increased to over 9,800 in July. This month's job openings is the largest number since September of 1981.

WISCONSIN LABOR FORCE

Employment increased throughout Wisconsin during July and unemployment decreased. Viewed in isolation, the July changes seem small and undramatic; employment growth amounted to 800, and unemployment decreases amounted to 8,000 fewer jobless workers. Employment levels, however, usually decrease slightly in July, so this month's gain establishes a positive trend when seasonally adjusted. July is the sixth consecutive month of increasing employment and sixth consecutive month of decreasing unemployment. However, in several months, the drop in unemployment results from unemployed workers leaving the labor force. But, again, labor force shrinkage has a seasonal pattern, too; and some labor force decrease is normal at certain times of the year. On a seasonally adjusted basis, July's employment grew, unemployment shrank, ... and the labor force grew. That indicates that the labor situation is trending in a recovery direction.

A WISCONSIN ECONOMIC INDICATORS

INDICATOR	UNIT	MONTHLY SERIES			% CHANGE		AVG.	
		Latest Month		Mo/Ago	Yr/Ago	Mo/Ago	Yr/Ago	1982
LEADING INDICATORS								
L1	AVG. WORK WEEK, MFG.							
	Unadjusted	HOURS	40.4 Jul	40.8	40.0	-1.0	1.0	39.6
	Seasonally Adjusted		40.7	40.8	40.3	-0.2	1.0	
L2	AVG. OVERTIME HOURS, MFG.							
	Unadjusted	HOURS	2.7 Jul	2.8	2.6	-3.6	3.8	2.3
	Seasonally Adjusted		2.7	3.0	2.6	-10.0	3.8	
L3	AVG. WEEKLY INITIAL CLAIMS							
	Unadjusted	NUMBER	11,199 Jul	15,491	13,289	-27.7	-15.7	16,424
	Seasonally Adjusted		11,533	18,732	13,683	-38.4	-15.7	
L4	BUSINESS FAILURES							
	Unadjusted	THOUS.	6,635 Jun82	3,290	3,456	101.7	92.0	-
	Seasonally Adjusted	DOL.	4,836	2,325	2,519	108.0	92.0	
L5	BUSINESS FAILURES							
	Unadjusted	NUMBER	32 Jun82	25	29	28.0	10.3	-
	Seasonally Adjusted		23	26	21	-11.5	9.5	
L6	NEW BUSINESS INCORPORATIONS							
	Unadjusted	NUMBER	470 Jul	686	539	-31.5	-12.8	518
	Seasonally Adjusted		467	629	535	-25.8	-12.7	
L7	NET GAIN IN BUSINESS PHONE ACCESS LINES							
	Unadjusted	NUMBER	1,656 Jul	572	-494	189.5	435.2	68
	Seasonally Adjusted		1,266	1,195	-884	5.9	243.2	
L8	BUILDING PLANS EXAMINED							
	Unadjusted	NUMBER	370 Jul	329	214	12.5	72.9	219
	Seasonally Adjusted		343	223	198	53.8	73.2	
ROUGHLY COINCIDENT INDICATORS								
C1	HELP-WANTED INDEX (MILW.)							
	Seasonally Adjusted	INDEX	33 Jun	32	33	3.1	0.0	35
C2	UNEMPLOYMENT RATE, TOTAL							
	Unadjusted	PERCENT	9.4 Jul	9.7	10.4	-	-	10.7
	Seasonally Adjusted		9.4	9.5	10.0	-	-	
C3	NATURAL GAS SALES							
	Unadjusted	MIL.	118.6 Jun	182.5	126.6	-35.0	-6.3	258.3
	Seasonally Adjusted	THERMS	236.7	270.0	252.5	-12.3	-6.3	
C4	NEW CAR REGISTRATIONS							
	Unadjusted	NUMBER	13,621 Jul	23,417	10,151	-41.8	34.2	11,886
	Seasonally Adjusted		12,560	21,322	9,362	-41.1	34.2	
C5	ELECTRIC POWER SALES							
	Unadjusted	MIL. KWH	1770.0 Jun	1663.5	1641.7	6.4	7.8	1673.7
	Seasonally Adjusted		1775.3	1716.7	1647.3	3.4	7.8	

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WISCONSIN ECONOMIC INDICATORS

INDICATOR	UNIT	MONTHLY SERIES			% CHANGE		AVG.	
		Latest Month		Mo/Ago	Yr/Ago	Mo/Ago	Yr/Ago	1982
C6 TOTAL SECURITIES REGISTRATIONS								
Unadjusted	MIL. DOL.	61.2	Jul	85.4	98.3	-28.3	-37.7	73.4
Seasonally Adjusted		45.3		89.6	73.0	-49.4	-37.9	
C7 PERSONAL INCOME								
Unadjusted	MIL. DOL.	4,281	Apr	4,245	4,067	0.8	5.3	4,158
Seasonally Adjusted		4,333		4,275	4,118	1.4	5.2	
C8 AVG. WEEKLY EARNINGS, MFG.								
Unadjusted	DOLLARS	393.90	Jul	400.25	372.57	-1.6	5.7	371.03
Seasonally Adjusted		401.94		401.86	380.06	0.0	5.8	
C9 CASH RECEIPTS FROM FARM MKTG.								
Unadjusted	MIL. DOL.	410.4	May	408.5	398.4	0.5	3.0	419.4
Seasonally Adjusted		410.0		423.8	398.1	-3.3	3.0	
C10 CONTRACT CONSTRUCTION EMPL.								
Unadjusted	THOUS.	52.9	Jul	50.9	53.2	3.9	-0.6	52.2
Seasonally Adjusted		47.9		47.3	48.1	1.3	-0.4	
OTHER KEY INDICATORS								
X1 BIRTH REGISTRATIONS								
Unadjusted	NUMBER	5,552	Jul	5,574	6,996	-0.4	-20.6	6,186
Seasonally Adjusted		5,338		5,449	6,726	-2.0	-20.6	
X2 DEATH REGISTRATIONS								
Unadjusted	NUMBER	3,056	Jul	3,235	3,496	-5.5	-12.6	3,336
Seasonally Adjusted		3,210		3,377	3,673	-4.9	-12.6	
X3 NATURAL NET GAIN POPULATION								
Unadjusted	NUMBER	2,496	Jul	2,339	3,500	6.7	-28.7	2,851
Seasonally Adjusted		2,117		2,134	2,969	-0.8	-28.7	
X4 MARRIAGE REGISTRATIONS								
Unadjusted	NUMBER	4,317	Jul	4,827	5,247	-10.6	-17.7	3,517
Seasonally Adjusted		3,042		3,443	3,698	-11.6	-17.7	
X5 CONSUMER PRICE INDEX (MILW.)								
Unadjusted	INDEX	310.1	Jul	308.8	296.5	0.4	4.6	296.3
X6 PRICES RECEIVED BY FARMERS								
Unadjusted	INDEX	140	Jul	141	142	-0.7	-1.4	143
Seasonally Adjusted		142		142	144	0.0	-1.4	
X7 NET GAIN IN RESIDENTIAL PHONE ACCESS LINES								
Unadjusted	NUMBER	1,205	Jul	-435	-1,335	377.0	190.3	-416
Seasonally Adjusted		2,217		883	-323	151.1	786.4	
X8 TOTAL JOB OPENINGS REC.								
Unadjusted	NUMBER	9,815	Jul	8,076	4,706	21.5	108.6	5,064
Seasonally Adjusted		8,255		6,193	3,959	33.3	108.5	
X9 MANUFACTURING EMPL.								
Unadjusted	THOUS.	494.4	Jul	484.6	504.1	2.0	-1.9	496.8
Seasonally Adjusted		487.6		484.1	497.4	0.7	-2.0	

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LABOR FORCE ESTIMATES

WISCONSIN LABOR FORCE ESTIMATES JULY	(In Thousands)			Pct. Chg.	
	Latest Month	Month Ago	Year Ago	Month Ago	Year Ago
<i>Unadjusted</i>					
CIVILIAN LABOR FORCE	2436.1	2443.4	2480.9	-0.3	-1.8
Employment (Inc. Labor Disputes)	2207.9	2207.1	2222.7	0.0	-0.7
Unemployment	228.2	236.2	258.2	-3.4	-11.6
Unemployment Rate	9.4	9.7	10.4	-	-
<i>Seasonally Adjusted</i>					
CIVILIAN LABOR FORCE	2400.6	2396.3	2392.5	0.2	0.3
Employment (Inc. Labor Disputes)	2175.1	2169.3	2153.3	0.3	1.0
Unemployment	225.5	227.0	239.2	-0.7	-5.7
Unemployment Rate	9.4	9.5	10.0	-	-

WISCONSIN EMPLOYMENT ESTIMATES JULY	(In Thousands)			Pct. Chg.	
	Latest Month	Month Ago	Year Ago	Month Ago	Year Ago
TOTAL NONFARM WAGE AND SALARY WORKERS	1858.2	1867.7	1868.7	-0.5	-0.6
<i>Unadjusted</i>					
Manufacturing	493.0	482.9	502.2	2.1	-1.8
Mining	2.5	2.5	2.3	0.0	8.7
Contract Construction	52.9	50.9	53.2	3.9	-0.6
Transportation and Public Utilities	81.4	84.5	84.8	-3.7	-4.0
Elec., Gas and Sanitary Services	17.3	17.2	17.5	0.6	-1.1
Wholesale Trade	103.4	102.9	102.2	0.5	1.2
Retail Trade	330.1	331.0	331.6	-0.3	-0.5
General Merchandise	43.1	43.5	44.2	-0.9	-2.5
Finance, Insurance and Real Estate	99.9	99.2	98.8	0.7	1.1
Banking	27.1	26.9	27.0	0.7	0.4
Insurance	31.2	31.3	31.8	-0.3	-1.9
Service and Miscellaneous	393.1	392.4	388.7	0.2	1.1
Hospitals	73.8	73.6	74.9	0.3	-1.5
Private Education	21.8	23.1	22.5	-5.6	-3.1
Government	301.9	321.3	304.7	-6.0	-0.9
State Government	74.1	74.9	72.4	-1.1	2.3
Local Government	199.5	218.2	204.2	-8.6	-2.3

UNITED STATES LABOR FORCE ESTIMATES JULY	(In Thousands)			Pct. Chg.	
	Latest Month	Month Ago	Year Ago	Month Ago	Year Ago
<i>Seasonally Adjusted</i>					
CIVILIAN LABOR FORCE	111,875	111,932	110,416	-0.1	1.3
Employment	101,285	100,786	99,588	0.5	1.7
Unemployment	10,590	11,146	10,828	-5.0	-2.2
Unemployment Rate	9.5	10.0	9.8	-	-

MANUFACTURING EMPLOYMENT (Unadjusted) JULY	(In Thousands)		
	Latest Month	Month Ago	Year Ago
All Manufacturing (Including Canning)	493.0	482.9	502.2
All Manufacturing (Excluding Canning)	475.0	473.7	482.8
Durable Goods	297.3	295.9	305.2
Lumber and Wood Prod., (Except Furniture)	21.7	21.3	19.1
Sawmills and Planning Mills	2.6	2.6	2.6
Millwork, Veneer, Plywood & Prefab. Wood Prod.	10.1	9.9	8.7
Furniture and Fixtures	8.5	8.6	8.5
Household Furniture	3.8	4.0	3.7
Stone, Clay and Glass Products	7.5	7.5	7.7
Concrete, Gypsum and Plaster Products	3.2	3.1	3.6
Primary Metal Industries	18.0	18.0	19.4
Iron and Steel Foundries	10.3	10.1	11.1
Fabricated Metal Products	48.2	47.7	48.8
Heating Equipment (Except Electrical) & Plumbing Fixtures	5.6	5.5	5.4
Fabricated Structural Metal Products	10.8	10.7	11.6
Metal Stampings	12.2	12.0	12.0
Machinery (Except Electrical)	93.6	94.3	101.6
Engines and Turbines	19.8	20.2	20.2
Farm Machinery and Equipment	13.9	14.3	14.3
Const., Min. & Material Handling Mach. & Equip.	12.6	12.6	13.9
Metalworking Machinery and Equipment	9.6	9.4	10.4
Special Industry Machinery (Except Metalworking)	9.0	9.1	10.7
General Industrial Machinery and Equipment	12.2	12.1	14.2
Service Industry Machines	7.3	7.3	8.1
Electrical Machinery, Equipment and Supplies	48.1	47.4	49.2
Electrical Industrial Apparatus	15.8	15.6	18.3
Household Appliances	6.6	6.2	6.2
Transportation Equipment	32.2	31.8	30.2
Motor Vehicles and Equipment	27.3	27.1	24.2
Instruments and Related Products	9.8	9.8	10.6
Miscellaneous Manufacturing	9.7	9.6	10.0
Nondurable Goods	195.7	187.0	197.0
Food and Kindred Products	69.6	60.9	73.0
Meat Products	13.9	14.0	13.5
Dairy Products	17.1	17.1	17.4
Canning and Preserving	18.0	9.2	19.4
Bakery Products	4.5	4.7	4.7
Beverage Industries	9.4	9.4	11.3
Textile Mill Products	4.8	4.7	4.5
Knitting Mills	4.0	3.9	3.7
Apparel and Other Finished Products	6.0	6.2	5.8
Paper and Allied Products	48.0	47.9	47.5
Pulp and Paper Mills	30.4	30.2	30.2
Converted Paper and Paperboard Products	9.4	9.5	9.0
Paperboard Containers and Boxes	7.0	7.0	6.9
Printing, Publishing and Allied Industries	32.3	32.3	32.0
Newspapers	10.6	10.6	10.7
Commercial Printing	13.0	12.9	12.8
Chemicals and Allied Products	9.8	9.8	9.8
Rubber and Misc. Plastics Products	16.9	16.6	16.1
Miscellaneous Plastics Products	12.7	12.5	12.1
Leather and Leather Products	8.2	8.3	7.9
Leather Tanning and Finishing	2.5	2.5	2.3
Footwear (Except Rubber)	4.2	4.3	4.1
Other Nondurable Goods	0.3	0.3	0.3

WISCONSIN EARNINGS AND HOURS DATA

EARNINGS AND HOURS (Unadjusted)	Average Weekly			Average Weekly		
	Earnings			Hours		
	Latest Month	Mo. Ago	Yr. Ago	Latest Month	Mo. Ago	Yr. Ago
JULY						
All Manufacturing (Incl. Canning)	\$394	\$400	\$373	40.4	40.8	40.0
All Manufacturing (Excl. Canning)	403	404	379	40.7	40.9	39.8
Durable Goods	407	409	381	40.6	40.8	39.3
Lumber/Wood Prod. (Exc. Furn.)	298	300	275	41.1	41.3	39.0
Furniture and Fixtures	299	297	257	40.7	41.3	37.1
Stone, Clay and Glass Products	387	377	375	43.0	41.7	41.5
Primary Metal Industries	377	379	354	39.5	40.0	38.5
Iron and Steel Foundries	378	385	355	38.8	39.9	38.8
Fabricated Metal Products	392	399	359	39.9	40.6	37.9
Fab. Structural Metal Prod.	405	410	365	40.7	41.5	39.6
Metal Stampings	361	370	330	38.4	39.2	33.7
Machinery (Except Electrical)	466	450	428	41.8	40.6	40.1
Engines and Turbines	536	482	484	44.4	39.8	43.3
Farm Machinery and Equip.	507	508	480	41.4	41.7	40.7
Const. and Related Mach.	441	439	429	38.9	39.1	37.9
Metalworking Mach. and Equip.	434	435	417	39.7	39.8	38.6
Spec. Ind. Mach. (Exc. Metal)	482	479	412	45.0	45.2	40.5
Gen. Industrial Mach. and Equip.	435	437	427	39.4	39.7	38.8
Electrical Mach., Equip. and Supp.	388	379	355	40.9	40.4	48.9
Electrical Industrial Apparatus	427	416	363	42.7	41.6	37.4
Transportation Equipment	514	562	515	40.0	43.5	42.0
Instruments and Related Prod.	315	316	293	35.7	35.8	38.2
Nondurable Goods	373	385	360	40.0	40.7	41.0
Food and Kindred Products	335	363	344	37.7	38.9	41.2
Meat Products	407	401	397	38.5	40.0	38.7
Dairy Products	369	360	341	40.3	39.5	40.5
Textile Mill Products	264	268	255	38.9	40.2	39.4
Apparel and Other Fin. Prod.	218	217	202	38.6	38.4	36.5
Paper and Allied Products	474	473	434	44.4	44.7	44.2
Pulp and Paper Mills	514	507	467	45.9	45.4	45.5
Printing, Pub. and Allied Prod.	421	420	402	39.0	39.1	38.5
Chemicals and Allied Products	416	431	391	41.5	42.5	39.6
Rubber and Misc. Plastics Prod.	320	324	304	39.7	40.0	39.2
Leather and Leather Products.	257	260	238	38.7	39.0	38.4

WISCONSIN EARNINGS AND HOURS DATA

EARNINGS AND HOURS (Unadjusted) JULY	Average Hourly Earnings Including O.T.			Average Hourly Earnings Excluding O.T.		
	Latest Month	Mo Ago	Yr. Ago	Latest Month	Mo Ago	Yr. Ago
All Manufacturing (Incl. Canning)	9.75	9.81	9.31	9.42	9.48	9.08
All Manufacturing (Excl. Canning)	9.91	9.87	9.52	9.57	9.53	9.27
Durable Goods	10.03	10.03	9.69	9.75	9.73	9.50
Lumber/Wood Prod. (Exc. Furn.)	7.24	7.27	7.05	7.03	7.08	6.89
Furniture and Fixtures	7.34	7.19	6.93	7.29	-	-
Stone, Clay and Glass Products	9.01	9.05	9.04	8.69	8.74	8.87
Primary Metal Industries	9.55	9.48	9.19	9.32	9.24	8.92
Iron and Steel Foundries	9.75	9.65	9.16	9.49	9.44	8.82
Fabricated Metal Products	9.83	9.82	9.49	9.44	9.49	9.23
Fab. Structural Metal Prod.	9.94	9.88	9.23	9.69	9.64	9.08
Metal Stampings	9.40	9.45	9.79	9.20	9.27	9.70
Machinery (Except Electrical)	11.14	11.09	10.68	10.95	10.87	10.60
Engines and Turbines	12.08	12.12	11.18	11.87	11.87	11.14
Farm Machinery and Equip.	12.24	12.18	11.79	12.13	12.05	11.74
Const. and Related Mach.	11.33	11.23	11.32	11.12	10.92	11.25
Metalworking Mach. and Equip.	10.94	10.93	10.82	10.67	10.68	10.70
Spec. Ind. Mach. (Exc. Metal)	10.71	10.60	10.19	10.42	10.30	9.95
Gen. Industrial Mach. and Equip.	11.03	11.00	11.00	10.85	10.78	10.91
Electrical Mach., Equip. and Supp.	9.48	9.38	9.13	9.22	9.19	9.01
Electrical Industrial Apparatus	10.01	10.01	9.70	9.75	9.80	9.61
Transportation Equipment	12.84	12.91	12.27	12.19	12.19	11.72
Instruments and Related Prod.	8.83	8.84	7.68	8.77	8.70	7.59
Nondurable Goods	9.33	9.47	8.77	8.89	9.05	8.43
Food and Kindred Products	8.89	9.34	8.34	8.39	8.91	7.97
Meat Products	10.57	10.03	10.27	10.03	9.54	9.91
Dairy Products	9.16	9.11	8.41	8.79	8.77	8.11
Textile Mill Products	6.78	6.66	6.49	6.55	6.46	6.21
Apparel and Other Fin. Prod.	5.64	5.66	5.54	5.53	5.42	5.52
Paper and Allied Products	10.67	10.59	9.82	10.15	10.10	9.38
Pulp and Paper Mills	11.20	11.16	10.26	10.63	10.63	9.74
Printing, Pub. and Allied Prod.	10.80	10.74	10.44	-	-	-
Chemicals and Allied Products	10.02	10.13	9.86	9.84	9.88	9.75
Rubber and Misc. Plastics Prod.	8.05	8.10	7.76	7.80	7.85	7.67
Leather and Leather Products	6.63	6.67	6.20	6.53	6.50	6.11

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SUMMARY OF RECENT WISCONSIN DATA

EARNINGS AND HOURS, MFG. Production Workers (Unadjusted) JULY	Average Weekly						Average Hourly Earnings				
	Earnings			Hours			Including O.T.			Excluding O.T.	
	Latest Month	Month Ago	Year Ago	Latest Month	Month Ago	Year Ago	Latest Month	Month Ago	Year Ago	Latest Month	Month Ago
United States	\$355	\$356	\$333	40.1	40.4	38.9	8.86	8.81	8.55	-	-
Wisconsin	394	400	373	40.4	40.8	40.0	9.75	9.81	9.31	9.42	9.48
<i>Selected Areas</i>											
Appleton-Oshkosh (Calumet- Winnebago-Outagamie)	397	401	365	42.2	42.6	41.1	9.40	9.41	8.88	8.99	8.99
Beloit (City)	401	387	368	43.7	42.2	40.9	9.18	9.16	9.02	-	-
Eau Claire (Eau Claire-Chippewa)	393	387	354	41.4	41.0	40.3	9.49	9.45	8.78	9.22	9.18
Fond du Lac (County)	350	352	341	40.4	40.3	42.4	8.68	8.74	8.03	8.53	8.64
Green Bay (Brown County)	421	434	409	40.8	41.5	42.6	10.31	10.46	9.61	9.77	9.97
Janesville (City)	478	516	458	39.1	41.0	38.8	12.22	12.59	11.80	12.09	12.37
Janesville-Beloit (Rock County)	427	445	388	40.3	41.2	39.0	10.60	10.80	9.96	10.46	10.56
Kenosha (County)	443	512	499	37.7	43.2	42.3	11.75	11.86	11.81	11.07	11.00
La Crosse (County)	352	339	329	40.2	38.9	37.6	8.75	8.72	8.75	8.46	8.40
Madison (Dane County)	377	381	373	40.7	40.8	40.5	9.27	9.33	9.22	8.78	8.92
Manitowoc (County)	317	328	268	38.7	38.4	34.4	8.17	8.55	7.79	7.99	8.37
Milwaukee (Milwaukee-Ozaukee- Waukesha-Washington)	447	438	415	41.1	40.5	39.7	10.88	10.82	10.45	10.52	10.47
Racine (County)	402	412	402	39.7	40.4	39.6	10.13	10.19	10.17	9.91	9.94
Sheboygan (County)	354	359	348	38.7	38.9	39.7	9.16	9.24	8.76	8.95	9.04
Wausau (Marathon County)	387	389	347	42.2	42.7	39.7	9.18	9.10	8.73	8.80	8.70

EMPLOYMENT, MFG. (Unadjusted) JULY	(In Thousands)			Percent Change	
	Latest Month	Month Ago	Year Ago	Month Ago	Year Ago
United States	18,664.0	18,709.0	18,704.0	-0.2	-0.2
Wisconsin	493.0	482.9	502.2	2.1	-1.8
<i>Selected Areas</i>					
Appleton-Oshkosh (Calumet- Winnebago-Outagamie)	43.8	43.7	43.8	0.2	0.0
Beloit (City)	5.8	5.9	6.7	-1.7	-13.4
Eau Claire (Eau Claire-Chippewa)	9.2	9.1	9.0	1.1	2.2
Fond du Lac (County)	10.5	10.2	10.7	2.9	-1.9
Green Bay (Brown County)	21.9	21.1	21.9	3.8	0.5
Janesville (City)	9.9	9.9	9.0	0.0	10.0
Janesville-Beloit (Rock County)	18.3	18.4	17.8	-0.5	2.8
Kenosha (County)	17.7	17.5	16.1	1.1	9.9
La Crosse (County)	9.8	9.9	10.0	-1.0	-2.0
Madison (Dane County)	20.5	19.0	19.7	7.9	4.1
Manitowoc (County)	11.6	11.6	11.0	0.0	5.5
Milwaukee (Milwaukee-Ozaukee- Waukesha-Washington)	160.2	160.8	169.0	-0.4	-5.2
Racine (County)	22.8	22.6	23.4	0.9	-2.6
Sheboygan (County)	18.3	18.0	18.0	1.7	1.7
Wausau (Marathon County)	11.6	11.4	11.0	1.8	5.5

WISCONSIN'S ECONOMIC OUTLOOK

by David H. Peterson
Department of Revenue

A surge of consumer spending for housing and durable goods triggered a strong economic rebound beginning in the first half of 1983, but this near-term strength is expected to give way to more moderate expansion in 1984 and 1985. Evidence of sharp cyclical gains abounds. Reports on industrial production, initial unemployment claims, retail sales, and other indicators confirmed that the second quarter closed with strong forward momentum. But with interest rates again edging upward and the prospect of enormous federal budget deficits crowding credit markets in 1984 and 1985, the interest-sensitive sectors--housing, autos, and business capital spending--remain vulnerable.

Revised National Income and Product Account data for 1980 through 1983 adds a more dramatic historical backdrop to the recovery. The upward and downward fluctuations are now known to have been more severe than was previously evident.

This rollercoaster pattern of expansion and contraction is expected to moderate in 1984 and 1985, but it underscores the need for caution interpreting near-term economic trends.

Another surprising finding from the revisions released by the Bureau of Economic Analysis is the fact that consumption gains in late 1982 and the first half of 1983 outpaced the growth of disposable personal income. This means that the personal savings rate has declined since mid-1982--an unexpected development in light of the highly-publicized availability of new savings plans offering substantial tax benefits (such as Individual Retirement Accounts). The 1983 second-quarter savings rate was only 3.9%, the lowest level since 1950.

The Housing market has also shown strength. Building permits issued in

June rose to the highest level in nearly five years--to a 1.745 million unit annual rate. However, mortgage rates have drifted upward, thereby weakening demand. Consequently, sales of new homes have fallen off by 25-30% in recent months.

The benefits of the recovery have begun to accrue to Wisconsin. The State joined the recovery later than other parts of the nation, but has posted welcome gains since March. Nearly 12,000 jobs were added during the second quarter. The job expansion rate is expected to remain in the 3% range through 1985 unless a major new tightening of the credit market occurs or some other key variable changes.

In spite of this upward trend, Wisconsin is not expected to recoup the jobs lost since 1979 until at least 1985. Moreover, only about one-third of the 102,000 durable manufacturing jobs lost during the recession are expected to be filled by that time. Key factors contributing to this permanent erosion of employment in that sector are continued high real interest rates and growing competition from foreign firms.

If interest rates rise more sharply than anticipated, the Wisconsin economy should be more severely affected than the nation as a whole. As many as 30,000 to 40,000 jobs could be lost in Wisconsin if interest rates take a steep upward turn because of our relatively high concentration of employment in such interest-sensitive industries as construction, manufacturing equipment, and autos.

National Forecast

July economic data confirms earlier projections that the nation is experiencing a rapid rebound. Real Gross National Product (GNP) expanded 9.2% in the second quarter of 1983.

The projected annual gain for 1983 is 3.1% compared to a 1.9% decline in 1982. Real growth is expected to reach 4.8% in 1984 and 3.4% in 1985. Consumer price inflation, meanwhile, is projected to continue on its moderate course, with an increase of only 3.2% for 1983. Unemployment will continue to decline gradually; nevertheless, it is likely to remain above 8% through 1985. The major problem on the economic horizon remains accelerating interest rates, which could undercut the demand for durable goods and other interest-sensitive items. Interest rates are generally up about two percentage points since May.

Concern about the magnitude of the federal budget deficit continues to figure centrally in economic forecasts. The deficit is projected at \$193 billion for fiscal year (FY) 1983, \$197 billion of FY 1984, and \$210 billion for FY 1985. Key factors driving the deficit are reduced federal receipts, due in part to tax cuts enacted in recent years, and major increase in federal expenditures for debt service and national defense. Defense spending is expected to expand 45% for FY 1982 to FY 1985. As old debt is rolled over into new debt at higher interest rates and the total debt load increases, net interest payments will grow 55% between fiscal years 1982 and 1985.

To date, neither Congress nor the President have indicated enthusiasm for an election-eve general tax increase. Even if there were a consensus on the need for a tax hike, the specific format could be a sticking point.

The sudden strength of the economy, meanwhile, poses a major challenge for Federal Reserve Board (Fed) policy planners. Fed Chairman Paul Volcker

has repeatedly expressed concern about the possible reacceleration of inflationary pressures, particularly if the federal budget deficit is not controlled. Administration officials, however, have interpreted the current economic surge as an indication that the deficit problem may not be as serious as Volcker and others claim.

For his part, Volcker is on record as preferring to act early in the business cycle to preserve and extend the progress that has been made toward reducing the underlying rate of inflation. In particular, he has stated a preference for "limited, timely, and potentially reversible measures" to avoid the need for harsher measures later.

Part of the gain in consumer purchasing power evident in the second quarter is tied to the stock market surge and possible early spending of the July federal tax cut. A contributing factor was an apparent growth in consumer confidence. Fear of unemployment and the overall state of the economy had previously made consumers skittish about taking on new debt or depleting savings. Whatever the specific cause of revitalized consumer activity, the consumer has done more than his share to stimulate economic expansion. Real consumption is forecast to rise by \$42 billion in 1983, despite an increase of only \$35 billion in disposable income. Disposable income is forecast to outpace consumption in 1985, leading to a savings rate of 5.7% by the end of 1985.

Auto sales are projected at the 9.1 million unit level in 1983, 10.3 million units in 1984, and 10.9 million units by 1985. Imports are assumed to account for 2.3 million units in 1983 and 1984 and for 2.5 million units in 1985.

The merchandise deficit reached an annual rate of \$71.4 billion in May. The volume of exports fell \$12 billion in 1982 and will probably decline another \$11 billion 1983. Imports, meanwhile are expected to rise another \$5 billion. Overall, foreign trade prospects are grim. Factors contributing to this outlook are slow economic recovery in other industrial nations (especially Italy and France), resulting in poor sales in those markets; the ongoing debt problems of less developed countries; and an overvalued U.S. dollar. The poor performance in the foreign trade sector will act as a drag on the recovery. The outlook for 1984 is brighter, however, as the economies of the nation's trading partners gain strength.

The effective conventional mortgage rate is expected to average 13.8% for 1983, 14.1% for 1984, and 14.0% for 1985. The annualized housing state projection for 1983 is 1.69 million units, followed by an increase to 1.72 million units in 1984 before a decline to 1.68 million units in 1985. This can be contrasted to the 2 million plus rate typical of prior peaks.

Public works has received a stimulus from the Surface Transportation Act (which added 5¢ per gallon to the federal motor fuel tax) and the Public Works jobs program. Retail facilities construction is already recovering and factory construction is expected to post gains in 1984. A major weakness in the non-residential sector this year is office buildings.

The consumer price outlook continues to be favorable, although the potential for reescalation of inflation still exists. The consumer price index is expected to expand only 3.2% in 1983, followed by 4.5% and 4.8% rates in 1984

and 1985. The CPI peaked at 13.5% in 1980. Factors contributing to the favorable outlook are modest labor cost increases and stable or declining energy prices. The dry summer together with the PIK program will result in higher food prices, however.

Wisconsin Outlook

The Wisconsin economy is beginning to show some signs of life. The surge in the national economy during the second quarter made it almost inevitable that Wisconsin would share in some of the renewed economic activity. Almost 12,000 jobs were added in the second quarter, which translates into an annualized growth rate of 2.6%. The second quarter increase in the number of jobs comes after a series of quarterly declines stretching back for a year and a half.

The Wisconsin economy should continue to show job growth at annual rates of 2.5-3.0% for the remainder of this year. Total job growth in Wisconsin should, moreover, remain at a steady 3% rate for 1984 and 1985, but only if the national economy can avoid major pitfalls associated with credit tightening or inflationary shocks between now and the end of 1985.

It is not yet possible, however, to paint a completely sanguine picture of the Wisconsin economy. The unemployment rate still stands at 9.4%, compared to a pre-recession 1979 rate of less than 5%. The projection for the unemployment rate calls for only moderate declines. The average unemployment rate could still be in the 8.5-9.0% range in 1985. And, this scenario holds only if a credit crunch can be avoided as the recovery matures. So while the recent data on renewed employment growth in Wisconsin is long-awaited good news, the trend

projection for job growth still suggests an attenuated recovery. Employment growth will probably not exceed growth in the labor force by enough to drive down the unemployment rate to a range associated with a normal recovery.

The problem areas in the Wisconsin economy which portend the future state of economic activity are associated with the length and depth of the recession just past and the outlook for durable goods industries in Wisconsin. First, because Wisconsin and other midwestern states have lost so many jobs during the past three years, it will take longer to achieve previous employment levels, especially when the recovery is expected to be less robust than normal. For example, total non-farm employment is not expected to reach its 1979 peak level until 1985. In contrast, total employment after the 1974-75 recession reached its previous peak within one year after the end of the recession.

Second, the durable goods industries in Wisconsin, also currently showing some signs of turnaround, are beset with high interest rates and continued encroachment of foreign competition. With interest rates expected to remain high, and the dollar's strength eroding export sales, the durable goods industries in Wisconsin (machinery, fabricated metals and foundries) are not expected to recover at a fast pace. On the contrary, of the 102,000 jobs lost in Wisconsin's durable manufacturing sector since 1979, only one-third are expected to be regained by 1985.

During the 1974-75 recession, durable goods employment fell to 88.9% of the peak employment in 1974:2 after five quarters, and then during the recovery

attained the previous peak level after seventeen quarters. In contrast, durable manufacturing employment dropped to 71.7% of the 1979:4 peak level after a prolonged period of decline of 14 quarters. Durable goods employment is usually slow to recover from a recession, but the expectation this time indicates that the recovery will be unusually prolonged. After 20 quarters from the previous peak, durable goods employment in Wisconsin is likely to still be at a level 20% below the level in 1979:4. In the 1974-75 recession, twenty quarters after the previous peak, durable goods employment had reached a level 7.7% above the prerecession peak.

These patterns of employment growth are consistent with a steady national economic recovery somewhat below norm. If more pessimistic scenarios of sharply higher interest rates and another credit cycle occur in 1984 or 1985, Wisconsin would very likely see 30,000 to 40,000 fewer jobs than are expected under the assumption of a nearly normal recovery. If renewed tightening by the Federal Reserve occurred, 1985 could be another down year in Wisconsin.

Wisconsin personal income should total nearly \$52 billion in 1983, a 5.9% increase over 1982. Continued gains are expected for 1984 and 1985, when personal income growth rates are projected to be 8.3% and 8.9% respectively.

After adjusting for inflation, real income growth should post an increase of 1.7% this year after a decline of 1% last year. The growth in income this year and in 1984 is, however, expected to fall short of national personal income growth by about 0.5%. Real income per capita in Wisconsin should

(Continued on back cover)

WISCONSIN ECONOMIC FORECAST
Components of Personal Income (\$ billions)

	<u>1982</u>	<u>1983</u>	<u>1984</u>	<u>1985</u>
Wages and Salaries	28.787	29.999	32.345	35.078
Farm Income (before invnt. adj.)	0.253	0.278	0.302	0.325
Nonwage, Nonfarm Income	20.046	21.692	23.634	25.891
Total Personal Income*	49.086	51.969	56.281	61.294
% Change	4.9	5.9	8.3	8.9
Total Personal Income (1972 dollars)	23.910	24.325	25.288	26.347
% Change	-1.0	1.7	4.0	4.2
Real Income Per Capita	4,956	4,998	5,148	5,316
% Change	-1.1	0.8	3.0	3.3

Employment (Thousands of Workers, Annual Average)

Manufacturing-Durable	308.3	292.8	309.5	325.6
% Change	-11.9	-5.0	5.7	5.2
Manufacturing-Nondurable	187.8	186.3	191.6	193.7
% Change	-2.7	-0.8	2.9	1.1
Mining	1.8	2.0	2.2	2.3
% Change	-15.4	8.9	10.4	3.0
Construction	52.4	47.4	51.7	55.6
% Change	-14.1	-9.7	9.2	7.4
Trans., Comm., Utilities	87.0	84.5	86.9	89.3
% Change	-3.8	-2.9	2.9	2.8
Finance, Insurance, Real Estate	97.2	98.5	101.7	105.6
% Change	1.4	1.4	3.3	3.8
Trade	429.6	431.2	442.0	453.7
% Change	-0.6	0.4	2.5	2.7
Services	384.1	389.7	399.6	412.1
% Change	2.2	1.5	2.5	3.1
All Government (Civilian)	319.4	322.8	325.9	328.4
% Change	-0.2	1.1	1.0	0.8
Total Employment (Nonfarm)	1,867.7	1,855.0	1,911.2	1,966.2
% Change	-2.7	-0.7	3.0	2.9

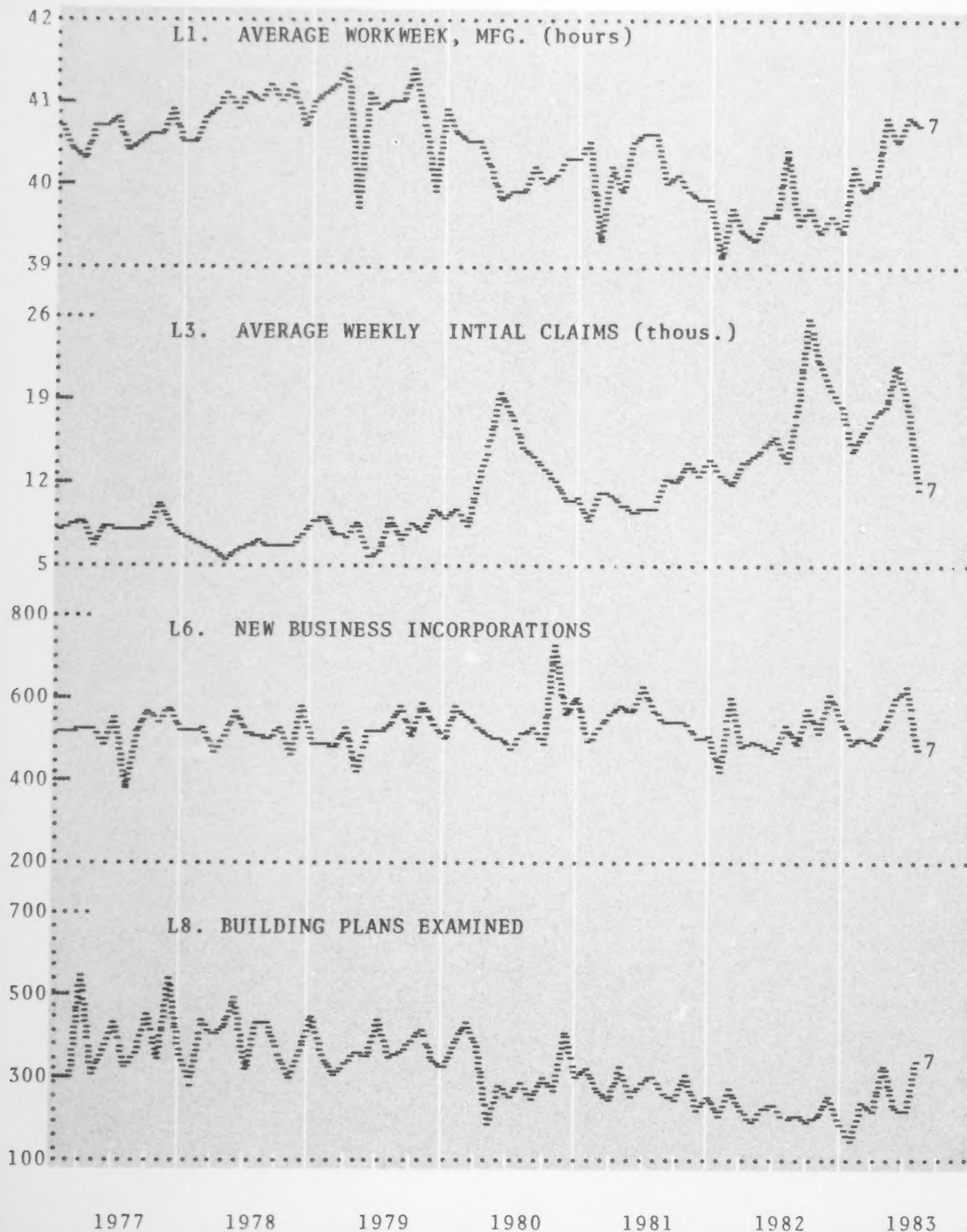
*Adjusted to exclude inventory valuation and nonmoney income in farm income.

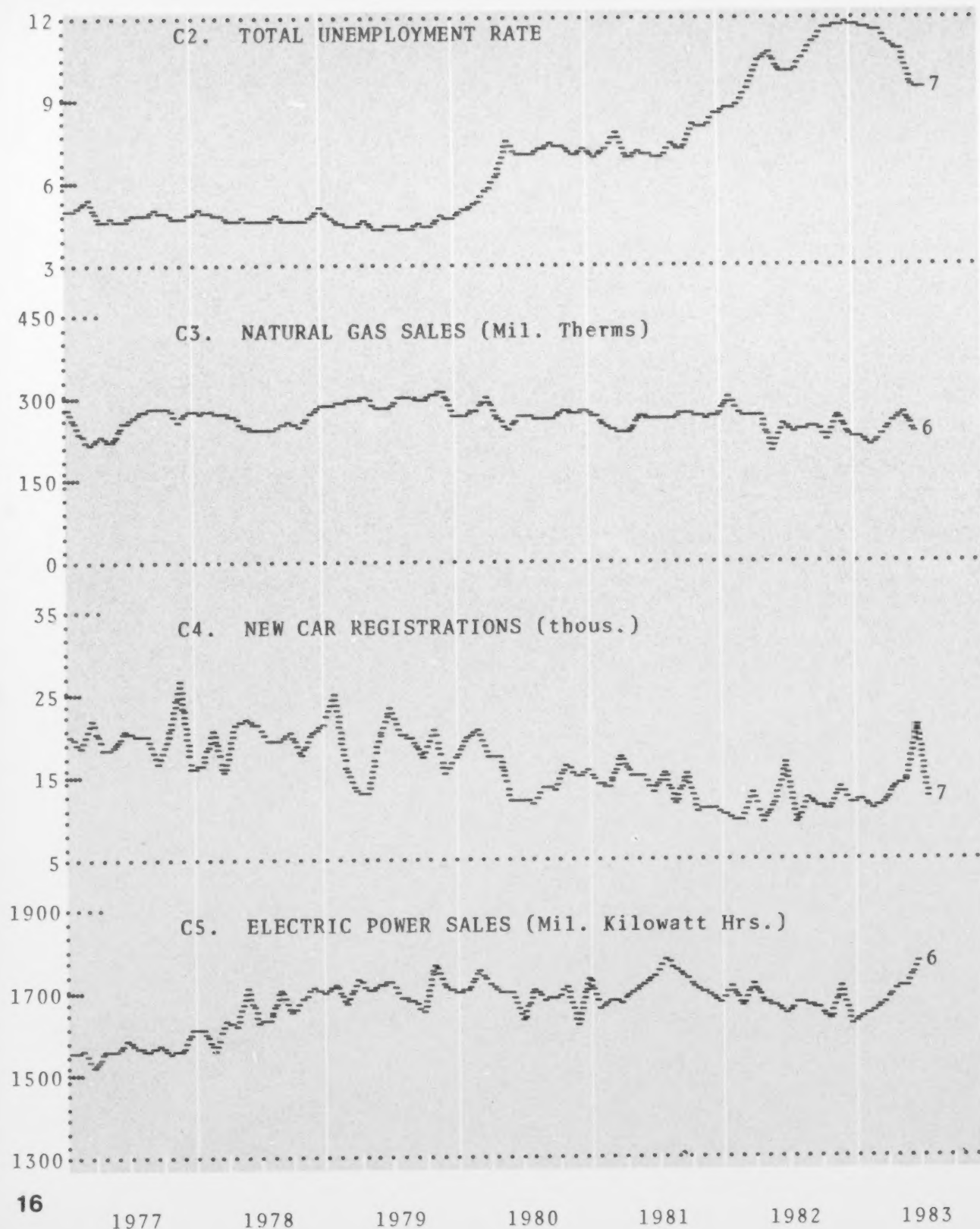
WISCONSIN MANUFACTURING EMPLOYMENT FORECAST: INDUSTRY DETAIL
(Thousands of Workers, SA*)

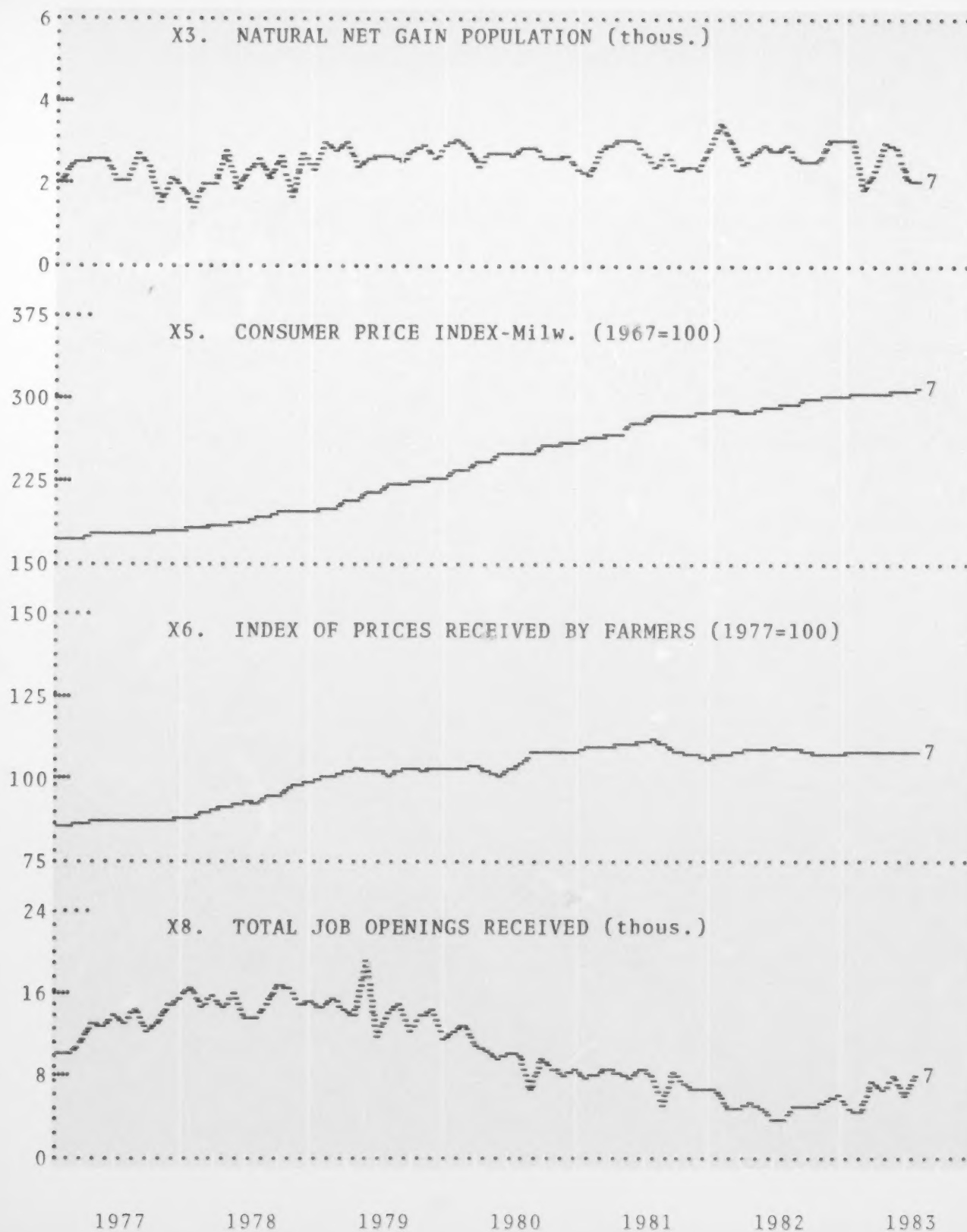
	1982:3	1982:4	1982	1983:1	1983:2	1983:3	1983:4	1983	1984	1985
All Manufacturing % Change	492.4 -3.8	476.3 -12.4	496.2 -8.6	469.3 -5.7	477.4 7.1	482.4 4.3	486.9 3.7	479.0 -3.5	501.1 4.6	519.3 3.6
Durables % Change	303.1 -9.4	289.1 -17.3	308.3 -11.9	284.9 -5.7	292.1 10.4	295.3 4.5	298.7 4.7	292.8 -5.0	309.5 5.7	325.6 5.2
Lumber & Products % Change	18.9 2.0	19.0 2.2	18.8 -5.5	19.0 0.0	20.6 38.7	20.7 1.6	20.8 0.8	20.3 7.8	21.0 3.4	21.6 2.7
Stone, Clay & Glass % Change	7.2 -15.3	6.8 -20.3	7.2 -11.8	6.8 1.9	7.0 10.7	7.0 0.5	7.0 -0.6	6.9 -3.9	7.3 4.5	7.7 5.9
Primary Metals % Change	19.2 -29.8	17.2 -35.3	20.2 -20.8	17.2 0.8	17.8 13.6	18.2 10.2	18.7 10.4	18.0 -10.9	19.7 9.7	21.4 8.5
Fabricated Metals % Change	48.6 -14.2	46.6 -15.4	49.7 -12.3	46.2 -3.7	47.2 8.7	47.6 3.9	48.1 3.9	47.3 -4.9	48.9 3.5	50.7 3.6
Nonferrous Mach. % Change	101.3 -16.6	94.9 -23.0	104.3 -12.1	91.0 -15.4	93.9 13.6	94.9 4.0	96.3 6.0	94.0 -9.8	101.7 8.1	108.2 6.4
Electrical Mach. % Change	49.4 0.9	48.0 -11.2	49.6 -10.3	46.4 -12.3	46.9 4.3	47.6 5.7	48.2 5.7	47.3 -4.7	50.9 7.6	53.5 5.1
Trans. Equipment % Change	29.3 26.1	28.7 -8.1	28.9 -13.2	30.3 24.8	30.8 5.8	31.3 6.7	31.4 2.3	30.9 6.9	31.5 1.7	33.5 6.3
Other Durables % Change	29.2 -9.3	27.9 -16.6	29.6 -8.4	27.9 -0.3	27.9 -0.8	28.1 2.7	28.3 3.0	28.0 -5.2	28.7 2.2	29.1 1.7
Nondurables % Change	189.2 6.1	187.2 -4.3	187.8 -2.7	184.4 -5.9	185.3 2.1	187.1 3.9	188.2 2.3	186.3 -0.8	191.6 2.9	193.7 1.1
Food & Products % Change	66.2 18.2	64.7 -8.7	64.5 -0.9	62.1 -15.1	62.4 1.7	63.1 4.4	63.3 1.7	62.7 -2.8	65.0 3.6	65.3 0.5
Paper & Products % Change	46.5 0.0	46.5 -0.8	46.7 -3.0	46.0 -4.0	46.6 5.6	46.8 1.4	46.8 0.3	46.5 -0.2	47.0 0.9	47.4 1.0
Printing & Publ. % Change	31.9 0.8	31.7 -2.4	31.9 -1.1	31.8 1.4	31.9 2.0	32.3 4.1	32.4 1.2	32.1 0.7	33.0 3.0	34.2 3.5
Chemicals & Prod. % Change	9.6 4.2	9.7 2.0	9.7 -3.7	9.4 -10.8	9.5 4.0	9.6 3.9	9.7 3.8	9.5 -1.2	9.8 2.2	9.6 -1.7
Rubber & Plastics % Change	16.1 -2.9	16.0 -3.3	16.3 -6.8	16.4 10.5	16.2 -5.3	16.5 8.5	16.9 7.9	16.5 1.3	17.4 5.6	17.9 2.5
Other Nondurables % Change	18.8 0.1	18.6 -4.1	18.8 -6.4	18.7 0.6	18.7 0.8	18.9 4.2	19.1 5.4	18.8 0.0	19.4 2.8	19.3 -0.5

*SA: Seasonally Adjusted

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(Continued from Page 12)

equal nearly \$5,000 this year, an increase of only 0.8% over 1982.

Sources of strength in the personal income ledger will be proprietors income, as profits rebound from depressed levels, and property income (dividends, interest, and rent) although rates of increase in interest income will be lower than the last few years when savers enjoyed exceptional yields.

Wage and salary growth will stem from moderate overall employment gains and the expectation that wage gains will be held in check to the 5.5-6% range through 1985.

Transfer payments to individuals, currently at the \$8 billion level, could show signs of slippage for a few quarters as unemployment declines a bit and low income transfers reflect federal budget cutbacks. Total

transfer payments are expected to increase at a 4.5-5% rate for 1984 and 1985, just keeping pace with inflation.

Of all the major industry groups, only two showed continued declines in the second quarter, construction and federal government. The continued decline in construction employment is surprising in light of the recent strength in the housing industry, but non-residential construction activity is still declining and is expected to show weakness for the remainder of this year.

All other industry sectors showed employment gains in the second quarter this year, including durable manufacturing. This shows that the beginning of the economic turnaround for Wisconsin is broadbased; but a one-quarter surge notwithstanding, the overall trend for employment gains as the recovery continues will be moderate.